

## STATUTORY AWARD INCREASES

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JUNE 6 (legislative day, JUNE 5), 1952.—Ordered to be printed

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Mr. GEORGE, from the Committee on Finance, submitted the following

### R E P O R T

[To accompany H. R. 7783]

The Committee on Finance, to whom was referred the bill (H. R. 7783) to increase certain rates of veterans' compensation provided for specific service-incurred disabilities, and for other purposes, having considered the same, report favorably thereon with amendments, and recommend that the bill, as amended, do pass.

The amendments are as follows:

On page 1, line 10, strike out the figure "50" and insert "47".

On page 2, line 8, strike out the figure "50" and insert "47".

On page 3, line 9, strike out the figure "70" and insert "67".

On page 3, line 14, strike out the figure "50" and insert "47".

On page 3, line 18, strike out the figure "70" and insert "67".

#### GENERAL STATEMENT

Your committee has given considerable thought to the provisions of H. R. 7783 and believes that the bill, as amended, will provide uniformity for veterans of all wars insofar as it deals with statutory awards for the more seriously disabled groups.

The primary purpose of the bill is to increase certain existing rates of compensation rather than to extend the basis of entitlement generally. However, the bill as it passed the House made two exceptions, in which your committee is concurring, by authorizing for the first time for World War II and Korean veterans a minimum monthly rate of compensation for arrested tuberculosis and an additional allowance for the loss or loss of use of a creative organ, which benefits are available under existing law to World War I veterans only.

Your committee believes a thorough review should be made of the statutory award schedules as to their origin and their separate justifications in relation to other similarly disabling conditions. Although it is infeasible at this time, a complete analysis is strongly recommended for use in consideration of subsequent legislation in the field of veterans' benefits.

## EXPLANATION OF BILL

All the provisions of this bill apply entirely and exclusively to service-connected veterans of the Spanish-American War group, World Wars I and II, and veterans of service on or after June 27, 1950.

The last two legislative measures enacted into law, increasing the rates of compensation for service-connected disabled veterans, did not include the so-called statutory award group covered by this bill. This group is composed in the main of the most severely disabled of the veteran class, such as those with the anatomical loss or loss of use of either or both of the hands or feet, blindness, total deafness, and combinations thereof. Congress by law has determined that in such cases a special rate should be authorized by statute for the specific disability. Thus, the term "statutory award."

At the present time, a statutory rate of monthly compensation (in addition to basic compensation) is set at \$42 for certain single losses, and for the more disabling of the mentioned conditions special rates are set, such as \$240 for the loss of both hands or both feet, one hand and one foot, or blindness in both eyes. This rate progressively increases from \$240 to \$282 to \$318 to \$360 as the disability combinations become more severe. The latter amount is the maximum rate which may be drawn by a service-connected veteran who does not have dependents.

Section 1 of this bill provides that the additional statutory-award rate for single losses shall be increased from \$42 to \$47 per month, and that the ceiling for total compensation together with such additional rate shall be \$400 instead of the present \$360. This increase would approximately equal the increases previously approved by the Eighty-second Congress for the less severely disabled group. The present special rate of \$240 indicated above is increased to \$266; the \$282 rate is increased to \$313, and the \$318 rate is increased to \$353.

In addition, provision is made that the rate for the loss of a creative organ now applicable only to World War I shall be authorized at \$47 for veterans of subsequent service who have such a loss, so that entitlement to such a statutory award may be uniform. Besides being a severe physical loss, there are very real psychological factors involved for which it is difficult, if not impossible, to compensate. Section 3 of the proposal increases from \$30 to \$47 the present rate for the loss of a creative organ applicable to World War I.

World War I veterans today receive a statutory award of \$60 a month where they have had a service-connected case of tuberculosis and where a condition of complete arrest has arrived. There is no such comparable statutory rate for World War II or veterans of the Korean conflict. Section 2 would establish a rate of \$67 for such a service-connected condition in the cases of World War II veterans and those serving on or after June 27, 1950, and section 4 would increase from \$60 to \$67 the rate for this condition now authorized for World War I veterans.

Certain statutory rates of compensation authorized for World War I veterans under the World War Veterans' Act of 1924 are increased by 11 percent in line with the general increases granted by other sections of this bill.

Today, under certain conditions, a disabled World War I veteran is entitled to \$60 additional where there is the need of a nurse or attendant. This rate is increased to \$67.

Section 7 provides that the increased rates of compensation provided by the bill shall be effective from the first day of the second calendar month following the date of approval.

COST OF BILL

The total estimated cost of the bill as amended for the fiscal year 1953 is \$20,764,000, involving a total of 119,000 veterans.

The report of the Veterans' Administration is as follows:

MAY 27, 1952.

Hon. WALTER F. GEORGE,  
Chairman, Committee on Finance,  
United States Senate, Washington 25, D. C.

DEAR SENATOR GEORGE: Further reference is made to your request of May 21, 1952, for a report from the Veterans' Administration on H. R. 7783, Eighty-second Congress, an act to increase certain rates of veterans' compensation provided for specific service-incurred disabilities, and for other purposes.

The purposes of the bill are:

(1) To increase by approximately 19 percent the monthly rate of compensation (payable in addition to basic compensation which now ranges from \$15 to \$150 per month and will range from \$15.75 to \$172.50 per month effective July 1, 1952) for the anatomical loss or loss of use of one foot, or one hand, or blindness of one eye, having only light perception authorized under subparagraph (k), paragraph II, part I, Veterans Regulation No. 1 (a), as amended. The present additional amount payable for such single loss is \$42 per month which would be increased to \$50.

(2) To authorize for the first time under Public No. 2, Seventy-third Congress, and the Veterans Regulations, a statutory rate of \$50 per month for the loss or loss of use of a creative organ. Such new rate would be authorized by amending the mentioned subparagraph (k).

(3) To increase by approximately 11 percent the monthly rates of compensation for the anatomical loss or loss of use of both hands, both feet, blindness, total deafness, and various combinations of such disabilities authorized under subparagraphs (l) to (p), inclusive, paragraph II, part I, Veterans Regulation No. 1 (a), as amended. The monthly compensation rates payable for such disabilities now range from \$240 to a maximum of \$360. (Additional amounts are payable on account of a wife, children, or dependent parents in such cases and in all others where the disability is rated 50 percent or more. The monthly rates of such additional compensation in totally disabled cases range from \$21 to \$91 depending upon the number and type of dependents. The bill would not increase these additional amounts for dependents.)

(4) To authorize for the first time under Public No. 2, Seventy-third Congress, and the Veterans Regulations, a minimum monthly rate of compensation of \$70 for service-incurred tuberculosis which has reached a condition of complete arrest.

(5) To increase the rate of compensation now authorized for World War I veterans under the World War Veterans' Act, 1924, as amended, for the loss of use of a creative organ from \$30 to \$50 (66½ percent increase), and for the loss of use of one or more feet or hands from \$42 to \$50 (19 percent increase).

(6) To increase the rate of compensation authorized for World War I veterans under the World War Veterans' Act, 1924, as amended, for arrested tuberculosis from \$60 to \$70 (16½ percent increase).

(7) To increase by 11 percent to the nearest dollar all rates of compensation provided by the World War Veterans' Act, 1924, as amended, for the following conditions:

Loss of the use of both eyes .....	From \$198 to \$220.
Loss of the use of both eyes and one or more limbs .....	From \$258 to \$286.
Double total permanent disability .....	From \$258 to \$286.

(8) To increase the maximum additional sum for aid and attendance from \$60 to \$67 (11 percent to the nearest dollar).

The existing rates under subparagraphs (k) through (p) of the mentioned Veterans Regulation, supra, and the increased rates as proposed by H. R. 7783 are as follows:

Existing law	H. R. 7783	Increase
(k) \$42-----	\$50	\$8
(l) 240-----	266	26
(m) 282-----	313	31
(n) 318-----	353	35
(o) 360-----	400	40
(p) 360-----	400	40

The above rates and all other rates of disability compensation authorized under Public No. 2, Seventy-third Congress, and the Veterans Regulations, are applicable to veterans of the Spanish-American War group, World War I, World War II, and veterans of service on or after June 27, 1950, and prior to such date as may be determined by the President or the Congress. Such rates are also payable if the specific disabilities were incurred in line of duty as the direct result of armed conflict or while engaged in extra hazardous service, including service under conditions simulating war. The rates of compensation for disability incurred in service other than in a period of war or on or after June 27, 1950, are 80 percent of the wartime rates.

The rates of compensation increased by sections 3, 4, 5, and 6 of the bill are authorized under the World War Veterans' Act, 1924, as-amended, and are applicable only to World War I veterans.

All monthly rates of compensation for service-connected disability were increased by 20 percent on September 1, 1946, pursuant to Public Law 662, Seventy-ninth Congress, August 8, 1946. On December 1, 1949, the basic rates of disability compensation for disabilities rated 10 percent to 100 percent were increased approximately 8.7 percent pursuant to Public Law 339, Eighty-first Congress, October 10, 1949. No increase was authorized by the latter act in the rates for specific disabilities as described above.

The latest increases in compensation rates, effective July 1, 1952, are authorized by Public Law 356, Eighty-second Congress, approved May 23, 1952. This act, among other things, increases by 5 percent the basic rates of compensation for disabilities rated from 10 percent through 49 percent and increases by 15 percent the basic rates for disabilities rated from 50 percent through 100 percent. Public Law 356 specifically provides that the mentioned increases in basic rates of compensation shall not apply to special awards and allowances, which are within the purview of H. R. 7783. In connection with the Senate consideration of the bill (H. R. 4394) which became Public Law 356, a floor amendment proposed by Senator Douglas having a purpose similar to section 1 of H. R. 7783 was rejected after considerable debate.

As previously indicated, the bill would authorize new rates of compensation for the loss of use of a creative organ and for arrested tuberculosis with respect to veterans of World War II and of service on and after June 27, 1950. These two purposes were the subject of previous bills, namely, H. R. 318 and H. R. 316, Eighty-second Congress, upon which the Veterans' Administration reported to your committee under dates of May 18, 1951, and May 4, 1951, respectively. Copies of such reports are enclosed for your ready reference.

It is estimated that H. R. 7783, if enacted, would cost approximately \$24,680,000 the first year, affecting approximately 119,900 veterans. This estimate does not take into consideration veterans who served on or after June 27, 1950, with respect to whom it is not possible to make any estimate of cost at the present time. There is enclosed a detailed breakdown of such cost estimate by sections of the bill and by veterans' groups.

The President in his message of January 9, 1952, to the Congress on the state of the Union, stated in part:

"We should also make some cost-of-living adjustments for those receiving veterans' compensation for death or disability incurred in the service of our country."

Due to the urgent request of the committee for a report on this measure, there has not been sufficient time in which to ascertain from the Bureau of the Budget the relationship of the proposed legislation to the program of the President.

Sincerely yours,

O. W. CLARK,  
Deputy Administrator

(For and in the absence of the Administrator).

*Estimated cost of H. R. 7783, 82d Cong., fiscal year 1953*

	Number of veterans affected	Estimated cost, fiscal year 1953
Sec. 1:		
Increases to present (k) through (p) cases.....	64,000	\$9,274,000
Loss of creative organ added to (k) <sup>1</sup> .....	15,000	9,000,000
Total.....	79,000	18,274,000
Sec. 2: Proposed subpar. (q), arrested TB <sup>2</sup> .....	7,900	2,062,000
Sec. 3: Increase for loss of use of creative organ, World War Veterans' Act, sec. 202 (3) <sup>3</sup> .....	3,200	768,000
Sec. 4: Increase for arrested TB, World War Veterans' Act, sec. 202 (7).....	29,800	3,576,000
Secs. 5 and 6:		
Increases for other sec. 202 (3) cases.....	( <sup>4</sup> )	( <sup>4</sup> )
Increase for sec. 202 (5) cases.....	( <sup>4</sup> )	( <sup>4</sup> )
Grand total.....	119,900	24,680,000

<sup>1</sup> No available data on which to base an estimate for Regular Establishment and Spanish-American War cases involving loss of creative organ.

<sup>2</sup> Cost estimate is based on difference between proposed rate and rates provided in H. R. 4394, 82d Cong. (Public Law 356, 82d Cong.).

<sup>3</sup> No available data on which to base an estimate of increased cost for loss or loss of use of a hand or foot.

<sup>4</sup> No available data on which to base an estimate.

NOTE.—Above estimates do not include veterans entitled under Public Law 28, 82d Cong., since it is not possible to make any estimate of cost at this time for veterans with service on or after June 27, 1950.

*Estimated cost of H. R. 7783, 82d Cong., fiscal year 1953*

	Estimated number veterans affected	Estimated cost, fiscal year 1953
World War II.....	73,300	\$18,309,000
World War I.....	42,000	5,876,000
Regular Establishment.....	4,500	678,000
Spanish-American War.....	100	17,000
Total.....	119,900	24,680,000

## CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

Section 1 (A) of H. R. 7783: Subparagraph (k), paragraph II, part I, Veterans Regulation No. 1 (a), as amended:

(k) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of a *creative organ*, or one foot, or one hand, or blindness of one eye, having only light perception, the rate of [pension] compensation therefor shall be \$47 per month independent of any other compensation provided in part I, paragraph II, subparagraphs (a) to (j) [shall be increased by \$42 per month]; and in the event of anatomical loss or loss of use of a *creative organ*, or one foot, or one hand, or blindness of one eye, having only light perception, in addition to the requirement for any of the rates specified in subparagraphs (l) to (n), inclusive, or part I, paragraph II, [as herein amended,] the rate of [pension] compensation shall be increased by [\$42] \$47 per month for each such loss or loss of use, but in no event to exceed [\$360] \$400 per month.

Section 2 of H. R. 7783: Paragraph II, part I, Veterans Regulation No. 1 (a), as amended, is amended by adding a new subparagraph (q) to read as follows:

(q) If the disabled person is shown to have had a service-incurred disability resulting from an active tuberculous disease, which disease in the judgment of the Administrator of Veterans' Affairs has reached a condition of complete arrest, the monthly compensation shall be not less than \$67.

The remaining provisions of the bill do not specifically amend or repeal provisions of existing law but, with the exception of section 7, do directly affect certain statutes. Therefore, for the convenience of the Members, there follows in parallel columns a comparison of the existing law with the provisions of the bill affecting it.

#### EXISTING LAW

*Subparagraph (l), paragraph II, part I, Veterans Regulation Numbered 1 (a), as amended*

(l) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss, or loss of use of both hands, or both feet, or of one hand and one foot, or is blind in both eyes, with 5/200 visual acuity or less, or is permanently bedridden or so helpless as to be in need of regular aid and attendance, the monthly compensation shall be \$240.

*Subparagraph (m), paragraph II, part I, Veterans Regulation Numbered 1 (a), as amended*

(m) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of two extremities at a level, or with complications, preventing natural elbow or knee action with prosthesis in place, or has suffered blindness in both eyes, rendering him so helpless as to be in need of regular aid and attendance, the monthly compensation shall be \$282.

*Subparagraph (n), paragraph II, part I, Veterans Regulation Numbered 1 (a), as amended*

(n) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss of two extremities so near the shoulder or hip as to prevent the use of a prosthetic appliance or has suffered the anatomical loss of both eyes, the monthly compensation shall be \$318.

*Subparagraph (o), paragraph II, part I, Veterans Regulation Numbered 1 (a), as amended*

(o) If the disabled person, as the result of service-incurred disability, has suffered disability under conditions which would entitle him to two or more of the rates provided in one or more of the subparagraphs (l) to (n), inclusive, of part I, paragraph II of this Regula-

#### THE BILL

##### Section 1 (B)

(B) The rate of compensation provided under subparagraph (l), paragraph II, part I, Veterans Regulation Numbered 1 (a), as amended, is hereby increased to \$266.

##### Section 1 (C)

(C) The rate of compensation provided under subparagraph (m), paragraph II, part I, Veterans Regulation Numbered 1 (a), as amended, is hereby increased to \$313.

##### Section 1 (D)

(D) The rate of compensation provided under subparagraph (n), paragraph II, part I, Veterans Regulation Numbered 1 (a), as amended, is hereby increased to \$353.

##### Section 1 (E)

(E) The rates of compensation provided by subparagraphs (o) and (p), paragraph II, part I, Veterans Regulation Numbered 1 (a), as amended, are hereby increased to \$400.

EXISTING LAW

THE BILL

tion, no condition being considered twice in the determination, or has suffered total deafness in combination with total blindness with 5/200 visual acuity or less, the monthly compensation shall be \$360.

*Subparagraph (p), paragraph II, part I, Veterans Regulation Numbered 1 (a), as amended*

(p) In the event the disabled person's service-incurred disabilities exceed the requirements for any of the rates prescribed herein, the Administrator, in his discretion, may allow the next higher rate or an intermediate rate, but in no event in excess of \$360.

*Section 202 (3) of the World War Veterans' Act, 1924, as amended (last paragraph)*

There shall be paid to any person who suffered the loss of the use of a creative organ or one or more feet or hands as the result of an injury received in the active service in line of duty between April 6, 1917, and November 11, 1918, compensation of \$30 per month, independent of any other compensation which may be payable under this Act: *Provided, however,* That if such injury was incurred while the veteran was serving with the United States military forces in Russia, the dates herein stated shall extend from April 6, 1917, to April 1, 1920.

*Section 6 of Public, No. 866, Seventy-sixth Congress, as amended*

That on and after the date of enactment of this Act, World War veterans otherwise entitled to the statutory award under the provisions of the last paragraph of section 202 (3), World War Veterans' Act, 1924, as amended, for the loss of the use of one or more feet or hands, shall be paid \$42 per month additional compensation in lieu of \$30 per month previously authorized.

*Section 202 (7) of the World War Veterans' Act, 1924, as amended (third paragraph)*

That any ex-service person shown to have had a tuberculous disease of a compensable degree, who in the judgment of the Administrator has reached a condition of complete arrest of his disease, shall receive compensation of not less than \$60 per month: *Provided, however,* That nothing in this provision shall deny a beneficiary the right to

*Section 1 (E)*

(E) The rates of compensation provided by subparagraphs (o) and (p), paragraph II, part I, Veterans Regulation Numbered 1 (a), as amended, are hereby increased to \$400.

*Section 3*

The rate of compensation provided by the last paragraph of section 202 (3) of the World War Veterans' Act, 1924, as amended (38 U. S. C. 473), for the loss of the use of a creative organ or one or more feet or hands is hereby increased to \$47.

*Section 3*

The rate of compensation provided by the last paragraph of section 202 (3) of the World War Veterans' Act, 1924, as amended (38 U. S. C. 473), for the loss of the use of a creative organ or one or more feet or hands is hereby increased to \$47.

*Section 4*

The rate of compensation provided in section 202 (7) of the World War Veterans' Act, 1924, as amended (38 U. S. C. 480), for arrested tuberculosis is hereby increased to \$67.

## EXISTING LAW

receive a temporary total rating for six months after discharge from a one year's period of hospitalization: *Provided further*, That no payments under this provision shall be retroactive, and the payments hereunder shall commence from the date of the passage of this Act or the date the disease reaches a condition of arrest, whichever be the later date.

*Last two provisos of first paragraph of section 202 (3) of the World War Veterans' Act, 1924, as amended*

*Provided further*, That the compensation for the loss of the use of both eyes shall be \$198 per month, and that compensation for the loss of the use of both eyes and one or more limbs shall be \$258 per month: *Provided further*, That for double total permanent disability the rate of compensation shall be \$258 per month.

*Section 202 (5) of the World War Veterans' Act, 1924, as amended*

If the disabled person is so helpless as to be in need of a nurse or attendant, such additional sum shall be paid, but not exceeding \$60 per month, as the Administrator may deem reasonable.

## THE BILL

## Section 5

All rates of compensation provided by the last two provisos of the first paragraph of section 202 (3) of the World War Veterans' Act, 1924, as amended (38 U. S. C. 473), are hereby increased 11 per centum: *Provided*, That in any case the rate of compensation, as increased, shall be further adjusted upward or downward to the nearest dollar.

## Section 6

The maximum additional sum authorized by section 202 (5), World War Veterans' Act, 1924, as amended (38 U. S. C. 478), for the need of a nurse or attendant is hereby increased to \$67.

